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**DOCUMENT RESUME**

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[ Allegations of Arthur E. Morrisette concerning the Department of Defense's Household Goods Transportation Program]. B-146779. June 12, 1978. 2 pp.

Report to Sen. William I. Scott; by Fred J. Shafer, Director, Logistics and Communications Div.

Contact: Logistics and Communications Div.

Organization Concerned: Department of Defense; Interstate Van Lines, Inc.

Congressional Relevance: Sen. William I. Scott.

The President of Interstate Van Lines, Inc., alleged that millions of dollars in salaries, space, facilities, and equipment are being spent unnecessarily each year to administer the Department of Defense's (DOD's) household goods transportation program. DOD spends over \$800 million annually to move military members' personal property. It deals with hundreds of transportation companies and hundreds of thousands of service members. The Department believes it is necessary to have trained personnel to administer and control the program to ensure high quality service at the lowest overall cost to the Government. Close supervision of the program is essential if morale is to be sustained. The personnel assigned to manage the movement of personal property in a peacetime environment are considered an integral part of the military logistical system, and these personnel would be called on to assist in the movement of essential cargo in an emergency or wartime situation. The observation that some military transportation offices are overstaffed may be true at certain times of the year; one of DOD's biggest problems is managing resources required for a wartime emergency given only peacetime workloads to accomplish. Over the past 10 years, many aspects of the military household goods program have been reviewed, and subsequent reports have resulted in millions of dollars in savings and improved services. (BBS)

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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

*Restricted*

LOGISTICS AND COMMUNICATIONS  
DIVISION

JUN 12 1978

B-146779

The Honorable William L. Scott  
United States Senate

Dear Senator Scott:

Your letter of April 4, 1978, asked us to consider the comments of Mr. Arthur E. Morrisette, President, Interstate Van Lines, Inc., concerning the Department of Defense's household goods transportation program. Mr. Morrisette was of the opinion that millions of dollars in salaries, space, facilities, and equipment are being spent unnecessarily each year to administer the program.

Members of my staff met with Mr. Morrisette to obtain more specific information with respect to his assertion. I later met personally with Mr. Morrisette and discussed at great length the DOD household goods program and how it relates to the overall military logistical system.

The Department of Defense spends over \$800 million annually to move military members' personal property worldwide. It must deal with hundreds of transportation companies and hundreds of thousands of service members with different entitlements--depending on grade, various family sizes, and fluctuating lengths of assignment.

The Department believes it is necessary to have trained personnel to administer and control the program to ensure high quality service to the military member at the lowest overall cost to the Government. The Department realizes that moving is a traumatic experience and that someone's most precious belongings are at stake. If morale is to be sustained, it must make every effort to see that each move is smooth and as trouble free as possible. For these reasons and because of the less than complimentary reputation some moving companies have earned for certain practices, such as improper weights, missed pickup and delivery dates, and underestimated costs, the Department believes that very close supervision of the program is essential.

Perhaps more important, however, is the role household goods administrative personnel would play in wartime and in other emergency situations. The personnel assigned to manage the movement of personal

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property in a peacetime environment are considered an integral part of the military logistical system. These trained personnel would be called on to assist in the movement of essential cargo since personal property would not be moving.

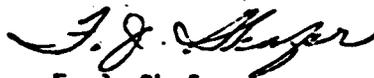
Mr. Morrisette's observation that some of the military transportation offices are overstaffed could be true at certain times of the year, depending on the season and/or workload. One of the Department of Defense's biggest problems is managing resources required for a wartime emergency given only peacetime workloads to accomplish. This is further complicated when the peacetime workload is subject to seasonal fluctuation as is the case with the movement of household goods.

We have over the past 10 years reviewed many aspects of the military household goods program. Our reports on deficiencies identified have resulted in millions of dollars in savings and improved service to the military members. We have several on-going assignments in the area and we will continue to monitor the program to help improve its efficiency and effectiveness.

Based on input from Mr. Morrisette, we will be watchful for opportunities to economize in the administration of the program. But, because the household goods personnel play an important role in the military transportation system in both peacetime and wartime, we do not believe that a comprehensive staffing study is warranted at this time.

We have suggested that Mr. Morrisette contact the Secretary of Defense and arrange for a thorough briefing on the Department's household goods program. I am sure that such a briefing will answer many of his questions and will provide him an opportunity to offer suggestions for improving the overall quality of military household goods moves. Mr. Morrisette's involvement is most welcome considering his many years in the moving industry and the excellent reputation he has earned.

Very truly yours,



F. J. Shafer  
Director